

Franked distributions and capital raising

Response to the proposed

Treasury Laws Amendment (Measures for a later sitting) Bill 2022: Franked distributions funded by capital raisings

Dear Treasurer,

I am a retiree and a taxpayer who depends on

- payments from an Industry Superannuation Fund, and
- non-superannuation share investment returns

to support my living expenses.

Franked credit dividends are an important component of my annual income.

A number of times since 2016 ASX listed companies, in which I hold shares, have announced share offers and capital adjustments which have involved special dividends with franking credit components.

Each of these offers is accompanied by a prospectus or other documentation advising shareholders of the implications of the proposed transaction. I have made my decisions based on this information and factored the various anticipated cash flows into my living expenses over the last six years.

I support the initiative of the Albanese Government to make changes to improve the operation and fairness of the Australian taxation system going forward.

I do not support the implementation of retrospective changes going back to 2016 which could not reasonably have been expected to occur when making investment decisions over the last six years.

This seems strangely inconsistent with the Government's currently stated intention to retain of the "Stage 3 Tax Cuts" because they are already legislated.

John Fairbairn

retiree and a taxpayer